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Summary of the economic survey of Latin America and the Caribbean, 1991

SUMMARY

In 1991, economic activity in Latin America and the Caribbean as a whole grew by 3 per cent, with per capita output registering its first improvement in four years. At the same time, inflation receded and hyperinflation was virtually eliminated. Furthermore, this moderate progress was achieved in spite of a relatively unfavourable international environment, which was reflected in the very slow growth of exports and a significant deterioration in the terms of trade.

However, the slackening of external demand was accompanied by a notable drop in international interest rates, which not only meant some relief for external debt service but also helped to bring about a considerable inflow of capital, partly attracted by the higher yields in the countries of the region. As a result, Latin America and the Caribbean registered a positive transfer of financial resources for the first time in 10 years. This, in turn, increased the region's import capacity in spite of the stagnation of exports, making possible a substantial expansion of imports that satisfied not only the requirements of moderate growth but also the growing demands for consumer and capital goods that had been emerging as part of the processes of trade liberalization.

In 1991 the gross domestic product of the region as a whole grew by 3 per cent, which represented a moderate degree of reactivation after three years of virtual stagnation. As a result, per capita output rose (albeit only by a little less than 1 per cent) for the first time in four years, thus recovering its 1977 level.

This modest increase in regional output was heavily influenced by the continuing recession in Brazil, which is still struggling against high rates of inflation. Nicaragua, Honduras, Peru and the Dominican Republic are also still in phases of depressed economic activity as a result of their severe stabilization programmes. The average growth rate for the remaining economies, taken as a whole, was around 4.5 per cent, that is to say, higher than the 1990 figure, in spite of the stagnation of exports.

The stabilization policies put into effect in the last year have in most cases managed to reduce inflationary pressures. Thus, after having stood at levels around 1,200 per cent in both 1989 and 1990, the weighted average increase in consumer prices in the region fell to 200 per cent per year in 1991 and snowed a marked downward trend.

The value of Latin American and Caribbean exports of goods remained unchanged at around US$ 122 billion, after having grown by almost 10 per cent per year in the previous two years. This was due to the deterioration in the unit value of exports, since the volumes exported continued to grow by nearly 6 per cent.

The value of Latin American and Caribbean imports amounted to US$ 110 billion: an increase of 19 per cent over the previous year and a further acceleration of the upward trend for the second year running. The increase was quite widespread, but the bulk of the variation in the regional total was concentrated in Mexico (an increase of US$ 7.7 billion), Venezuela (US$ 4 billion) and Argentina (US$ 3.6 billion).

As a result, the merchandise trade surplus fell from nearly US$ 30 billion in the previous two years to less than US$ 12 billion in 1991. Thus in spite of a reduction in the amount of profits and interest due, the balance-of-payments current account deficit (which had, moreover, been falling in recent years) rose to more than US$ 17 billion because of the smaller trade surplus. This bigger current account deficit for the region was amply covered by an inflow of US$ 36 billion of capital - double the net inflow of the previous year, which had, in turn, been double that of 1989. Although the increased net inflow of capital was fairly generalized, most of the increase in the regional total was attributable to only a few countries.

There was practically no change in the external debt of the region (excluding the English-speaking Caribbean countries), which remained at around US$ 426 billion. Among the factors responsible for this were the national and international programmes for reducing external debt. Particularly noteworthy was the United States Government's forgiveness of the bilateral obligations of seven countries. In contrast, there was no major progress under the Brady Plan, since new agreements failed to emerge in 1991.

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INTRODUCTION

1. In 1991, economic activity in Latin America and the Caribbean as a whole grew by 3 per cent; with per capita output registering its first improvement in four years (see table 1 and figure). At the same time, inflation receded and hyperinflation was virtually eliminated. Furthermore, this moderate progress was achieved in spite of a relatively unfavourable international environment, which was reflected in the very slow growth of exports and a significant deterioration in the terms of trade.

2. However, the slackening of external demand was accompanied by a notable drop in international interest rates, which not only meant some relief for external debt service but also helped to bring about a considerable inflow of capital, partly attracted by the higher yields in the countries of the region. As a result, Latin America and the Caribbean registered a positive transfer of financial resources for the first time in 10 years. This, in turn, increased the region's import capacity in spite of the stagnation of exports, making possible a substantial expansion of imports that satisfied not only the requirements of moderate growth but also the growing demands for consumer and capital goods that had been emerging as part of the processes of trade liberalization.

3. In 1991 there was a significant increase in the number of countries that achieved higher growth rates, and there also was an increase in the number of countries that attained, or were in the process of attaining, macroeconomic stability with varying degrees of consolidation. The countries displayed a variety of situations depending on the stage they had reached in their stabilization programmes. In some cases, the expansion process forged ahead after stabilizing adjustments (as in Chile and Mexico); in others the rate of expansion slackened as a result of adjustments implemented during the year under review (as in Colombia, Costa Rica, Guatemala and Paraguay); and in still others output recovered as the economy emerged from a state of high inflation (as in Argentina).

4. If the above cases are supplemented with those of the countries that remained in a state of recession because of severe stabilization programmes (Nicaragua, Peru and the Dominican Republic), then the overall picture in the region, with only very few exceptions, is one of generalized containment of inflationary pressures as part of stabilization processes in varying phases of consolidation. Thus, in the last few months of the year most of the countries of the region registered average monthly rates of inflation between 1 and 1.5 per cent. With regard to the remainder, price increases in Ecuador, Honduras and Venezuela were running between 2 and 3.5 per cent per month and those in Peru and Uruguay (two countries with serious anti-inflationary programmes) were still between 4 and 5 per cent per month; only Brazil continued to register monthly rates of inflation that were still at the very high levels of 20-25 per cent.

Table 1. Latin America and the Caribbean: main economic indicators a/

Indicator	1984	1985	1986	1987	1988	1989	1990	1991 b/
Gross domestic product at market prices (index, base year 1980 = 100)	99.5	102.8	106.8	110.0	111.2	112.6	113.0	116.3
Population (millions of inhabitants)	388.8	397.2	405.7	414.2	422.9	431.6	440.3	449.2
Per capita gross domestic product (index, base year 1980 = 100)	91.0	92.0	93.5	94.3	93.3	92.6	91.1	91.9
				Growth rate (percentage)				
Gross domestic product	3.6	3.3	3.8	3.0	1.1	1.3	0.3	3.0
Per capita gross domestic product	1.3	1.1	1.6	0.9	-1.0	-0.8	-1.7	0.9
Consumer prices c/	184.7	274.1	64.5	198.5	778.8	1 161.0	1 186.3	202.4
Terms of trade (goods)	6.4	-4.6	-11.0	-0.8	-0.3	0.5	-1.5	-5.2
Purchasing power of exports of goods	13.4	-4.6	-11.9	8.0	8.1	2.8	4.3	0.8
Current value of exports of goods	11.5	-5.8	-15.6	14.4	13.9	9.8	9.7	0.4
Current value of imports of goods	3.9	0.2	2.5	12.7	13.8	6.6	13.3	19.2
				Billions of dollars				
Exports of goods	97.7	92.0	77.6	88.8	101.1	110.0	121.7	122.2
Imports of goods	58.2	58.2	59.7	67.3	76.6	81.7	92.5	110.3
Trade balance (goods)	39.5	33.8	17.9	21.5	24.5	29.3	29.2	11.9
Net payments of profits and interest	37.3	35.3	32.6	31.5	34.3	37.9	34.4	29.3
Balance on current account d/	-1.0	-3.6	-17.4	-11.1	-11.2	-6.8	-4.1	-17.4
Net movement of capital e/	10.4	3.0	9.9	15.4	5.5	9.6	18.4	36.0
Global balance f/	9.4	-0.6	-7.5	4.3	5.7	2.8	14.4	18.6
Total gross external debt g/	373.4	385.1	401.0	427.6	420.9	420.4	435.4	[426.2] h/
Net transfer of resources i/	-26.9	-32.3	-22.7	-16.0	-28.8	-28.3	-16.0	6.7

Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures.

(Footnotes on following page)

(Footnotes to table 1)

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a/ Figures for the gross domestic product and consumer prices refer to the group of countries included in table 2, except Cuba (23 countries) and in table 5, respectively. The data on the external sector relate to the 19 countries mentioned in the table on the balance of payments of Latin America and the Caribbean.

b/ Preliminary estimates, subject to revision.

c/ Variation from December to December.

d/ Including net unrequited private transfer payments.

e/ Including long- and short-term capital, unrequited official transfer payments, and errors and omissions.

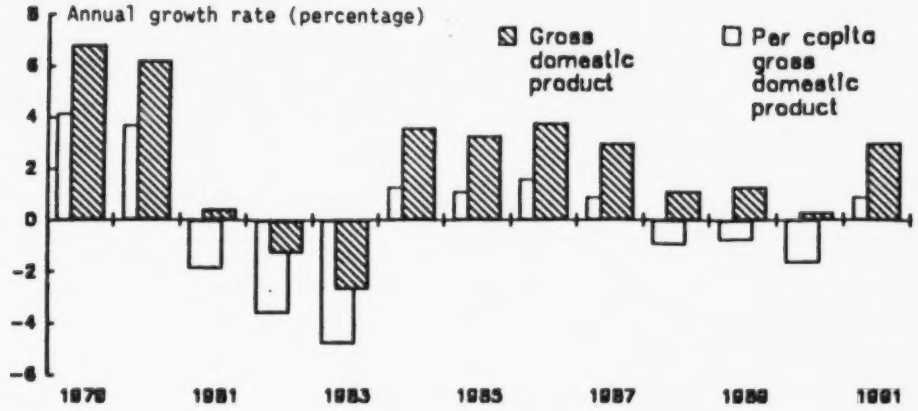
f/ Corresponding to the variation in international reserves (of opposite sign) plus counterpart items.

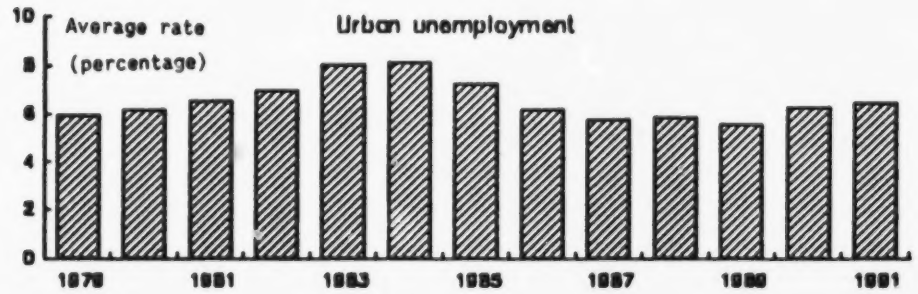
g/ See notes to table 12.

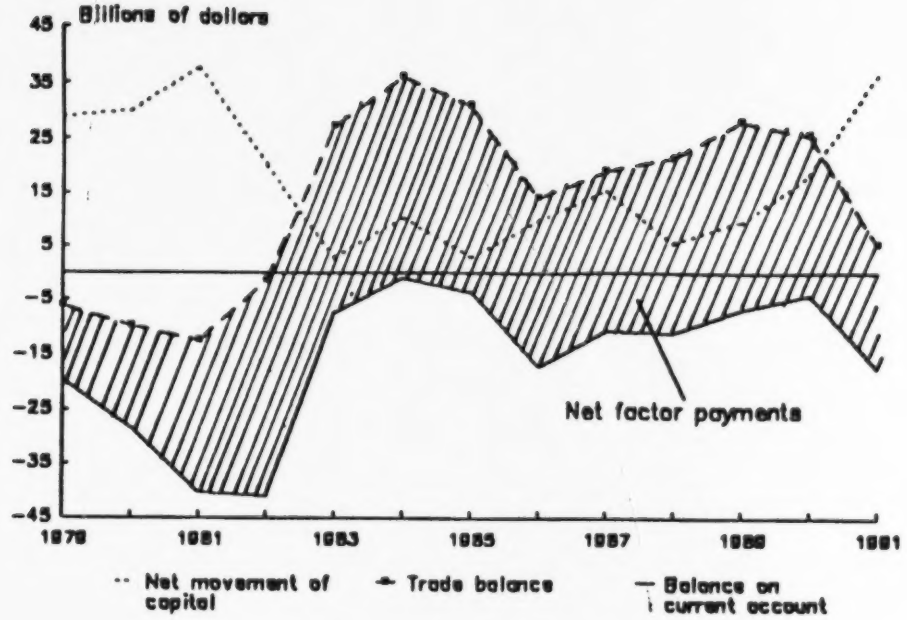
h/ Not including the debts of Trinidad and Tobago, Guyana and Jamaica.

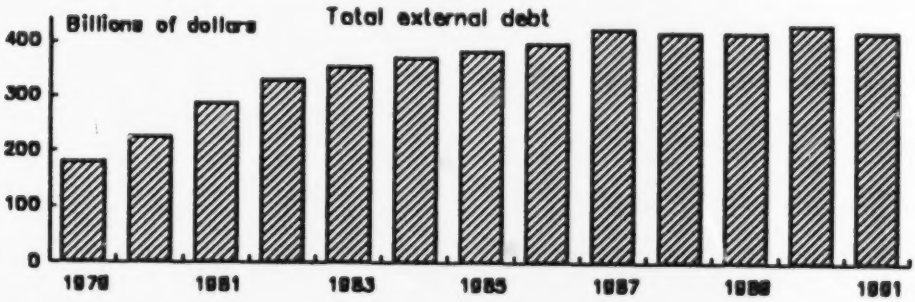
i/ Corresponding to net inflow of capital, less net payments of profits and interest.

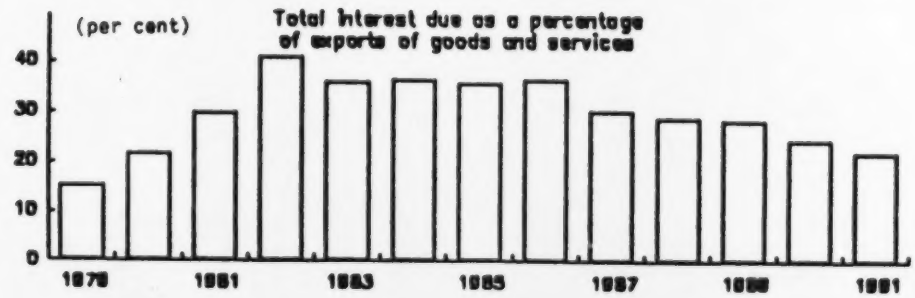
Latin America and the Caribbean: main economic indicators











Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures.

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5. In spite of the fragility still being displayed by some stabilization processes, the majority of the economies of the region are now functioning on a new foundation generally characterized by a firmer orientation towards exports, trade liberalization, austerity in fiscal matters, more prudent management of monetary policy and greater reluctance to resort to public regulation of economic activity. However, these new rules of public policy undoubtedly involve even greater inequality of income than in the past, a more precarious employment situation, a still tighter fiscal environment and fewer degrees of freedom for the application of economic policy. All of this means that there is less capacity to make transfers between economic sectors or social strata, but at the same time the situation does inspire greater confidence in the permanence of the rules guiding public policy.

6. Generally speaking, the economies of the region are operating with more balanced public sectors, since the leeway for indulging in imbalances without setting off inflationary spirals has been reduced still further. Over the two-year period 1990-1991, a considerable number of countries carried out massive fiscal adjustments, thanks to which the public sector's financing needs have been reduced by amounts varying between 2 per cent and 7 per cent of the gross domestic product (GDP). Most of the remaining countries reduced their fiscal deficit by the equivalent of 1 per cent of GDP over the same period.

7. Substantial non-debt-related private financial flows of different types, which to some extent represent repatriation of capital, are taking place both in countries that have continued to maintain their macroeconomic stability and in those that have only recently undertaken domestic internal adjustment. In some countries (such as Argentina, Mexico, Venezuela and Chile), these flows include foreign investment, connected in some cases with the privatization of public enterprises, although there have also been cases of substantial portfolio investments and even of bond issues. On the other hand, in these and the majority of the other countries, considerable short-term financial investments, attracted by the differential between the real domestic dollar-equivalent interest rates (including the reduced risk premium assigned to cover the possibility of abrupt changes in the exchange rate) and low international rates, are taking place.

8. In the countries where volume has been substantial, these capital inflows have had two immediate consequences. On the one hand, they have obliged the central banks to buy up the excess supply of foreign exchange and accumulate reserves. On the other hand, they have kept the real exchange rate at lower levels than those that prevailed when the trade surplus had its counterpart in capital flight.

9. The latter situation tends to erode the competitiveness of exports and stimulate imports, thus reducing the effective protection of domestic production. When this is combined with trade reforms that involve the rapid reduction of tariff protection, industrial production and employment tend to be adversely affected in the short term, that is, before the greater openness begins to have possible effects on productivity.

10. From the point of view of stabilization policies, these trends have opposed repercussions. The rise in the value of the national currency serves as an anchor for nominal prices and at the same time stimulates imports (which are also facilitated by the processes of greater trade liberalization), thereby favouring the stabilization of some domestic prices. However, the accumulation of reserves brings with it an unwanted expansion of the money supply that runs counter to the predominantly restrictive orientation of monetary policy; the absorption of this surplus calls for not only the expansion of demand for real monetary assets but also an equivalent fiscal surplus. In these circumstances, rapid and sustained growth of imports requires a continuous inflow of capital.

11. Obviously, this type of balance has elements of fragility, since part of the capital inflow may suddenly reverse itself. This is a possibility that can never be ruled out in the case of investments in securities, financial operations oriented to an interest rate differential and repatriation of assets to replenish the working capital of enterprises that have been adversely affected by a domestic credit squeeze or by a recession.

12. In so far as these capital inflows are due to conjunctural circumstances rather than to real medium-term confidence in the economy, they are far from representing a structurally stable source of financing that can serve as a sound basis for development. In this respect, the apparently positive evolution of the external accounts of some countries must in each case be viewed in parallel with persisting overindebtedness, the structural consequences of which will continue to weigh heavily on the degrees of freedom of economic policy and the prospects for growth. In order to bring about a permanent reversal of the net transfer of external resources, the inflow of private capital must be combined with a reduction in the burden of servicing the external public debt and the consolidation of a climate of confidence in economic policy and the prospects for development.

13. In this respect, one can observe, at least in a certain number of countries, perceptible changes in the confidence level of economic agents with respect to the direction, permanence and effectiveness of economic policy; in their turn, those changes are influencing policy in different ways than in the past. This change in attitude and in the prevailing investment climate is probably connected with the generalized acceptance of new foundations - in terms of both their eventual benefits and undoubted costs - for the functioning of economies.

14. Given the underlying mistrust that prevailed before the consolidation of macroeconomic stability, overadjustment of the economic policy instruments (high real exchange rates and high interest rates in order to avoid capital flight and adjustment of the fiscal deficit by an amount greater than that warranted by the objective effects on the money supply) was usually called for. This was needed in order to telegraph a political determination to eliminate the expansionary effects of the public sector. With improvement in the climate for confidence among economic agents, economic policy now has the possibility of managing variables within narrower margins. In other words,

increased confidence on the part of economic agents is leading to the disappearance of part of the "risk premiums" that previously had to be included when considering the exchange rate, the interest rate and the magnitude and speed of adjustment of the fiscal deficit.

15. Nevertheless, there are also elements of fragility within the state of confidence experienced by economic agents, quite apart from their reaction to possible political events. The import boom itself, facilitated by trade liberalization and the inflow of capital, may reach a level at which, as those agents anticipate the need for devaluation, it becomes vulnerable to changes in the inflow. This would in turn lead to a turn around in the situation.

I. PRODUCTION AND EMPLOYMENT

16. After performing poorly for three years, economic activity in Latin America and the Caribbean showed some degree of recovery (3 per cent), resulting in positive growth in per capita output for the first time since 1987 (see table 2 and figure). However, regional output for 1991 was only 16 per cent higher than in 1980, the period prior to the debt crisis, while per capita output was 8 per cent lower than it had been at that time (and equal to the GDP per capita of 1977) (see table 3).

17. Growth in output was generalized but dissimilar. If the countries experiencing uncontained inflation or extremely severe adjustment processes (Brazil, Peru and the Dominican Republic) are excluded, the growth rate of the remaining countries was 4.5 per cent, the highest growth recorded by this group since 1980. Countries also differed significantly in terms of their increase in output. Venezuela experienced growth of 8.5 per cent; 4 countries (Argentina, Chile, Mexico and Panama) underwent growth equal to or greater than 4 per cent and less than or equal to 5 per cent; 10 countries (Bolivia, Colombia, Ecuador, El Salvador, Guatemala, Jamaica, Paraguay, Peru, Trinidad and Tobago and Uruguay) recorded growth equal to or greater than 1.5 per cent and less than 4 per cent; in another 4 countries (Brazil, Costa Rica, Honduras and Nicaragua), output increased by 1 per cent or by slightly less; in the Dominican Republic activity remained stagnant; and Haiti was the only country that recorded a drop in its production. Moreover, 12 countries, including the 3 largest economies in the region, showed more favourable results than in 1990, while 6 countries recorded similar growth and another 4 recorded a slackening in their level of activity.

18. The high rates of population growth in many countries of the region turn the results described above into poor or negative performances in terms of per capita output. Thus, in 12 countries this indicator of well-being either remained stagnant or negative; of the remaining 10 countries, only Argentina, Chile, Panama and Venezuela showed an increase of 3 per cent or over in the growth of their per capita GDP. These results, together with the slow expansion recorded in the majority of the economies of the region, mean that only a small number of countries recorded a per capita GDP that was higher in 1991 than in 1980: Colombia (18 per cent), Chile (16 per cent), Barbados

Table 2. Latin America and the Caribbean: growth of total gross domestic product

(Percentage)

Country, area or group	Annual growth rate								Cumulative variation
	1984	1985	1986	1987	1988	1989	1990	1991 a/	1981-1991 a/
Latin America and the Caribbean b/	3.6	3.3	3.8	3.0	1.1	1.3	0.3	3.0	16.3
Oil-exporting countries	2.8	2.2	0.3	2.5	2.3	0.0	3.7	4.4	19.8
Bolivia	-0.6	-1.0	-2.5	2.6	3.0	2.8	2.6	3.5	2.2
Colombia	3.8	3.8	6.9	5.6	4.2	3.5	4.2	2.0	46.8
Ecuador	4.8	4.8	3.4	-9.5	14.3	0.1	2.5	3.5	29.0
Mexico	3.6	2.6	-3.8	1.8	1.4	3.1	3.9	4.0	21.9
Peru	4.8	2.2	8.7	8.0	-8.4	-11.4	-4.9	2.0	-8.8
Trinidad and Tobago	-2.2	-4.2	-2.1	-5.5	-2.5	-0.2	1.3	1.5	-18.9
Venezuela	-0.7	0.0	6.6	3.8	5.9	-7.8	5.8	8.5	12.0
Non-oil-exporting countries b/	4.2	4.3	6.7	3.5	0.1	2.3	-2.2	1.8	13.7
South America	4.5	4.7	7.1	3.4	0.1	2.2	-2.5	1.9	13.5
Argentina	2.4	-4.4	6.1	2.1	-2.8	-4.6	-0.2	4.5	-7.7
Brazil	5.3	8.0	7.6	3.4	0.1	3.2	-3.8	1.0	18.1
Chile	5.6	2.2	5.7	5.7	7.5	9.8	2.0	5.0	39.3
Guyana	2.2	1.1	0.3	0.7	-4.0	-5.0	-5.8	...	-28.6
Paraguay	3.2	4.0	-0.3	4.5	6.7	5.9	3.1	3.0	40.7
Suriname	-1.9	2.0	0.8	-6.2	7.1	2.0	0.2	...	2.1
Uruguay	-1.7	1.7	8.3	7.9	-0.2	0.6	0.8	2.0	2.6
Central America and the Caribbean b/	1.5	0.6	2.3	4.4	-0.2	3.3	1.0	1.6	15.9
Bahamas	3.0	13.5	3.6	4.9	4.5	4.0	0.2	...	53.3
Barbados	3.6	0.9	5.2	2.6	3.6	3.4	-3.1	-1.0	8.3
Belize	2.8	2.4	2.7	13.3	7.1	5.1	0.2	...	40.4
Cuba c/	7.2	4.6	1.2	-3.9	2.2	1.1	1.0	...	43.8
Dominican Republic	0.3	-1.9	3.0	7.9	1.0	4.5	-4.8	0.0	21.7
Haiti	0.4	0.4	1.0	0.1	1.3	0.7	-0.6	-1.5	-3.9
Jamaica	-0.8	-5.4	2.2	6.7	1.1	6.3	3.8	2.0	21.6
Panama	-0.4	4.8	3.5	2.0	-16.0	-0.3	5.1	5.0	11.1

Table 2 (continued)

Country, area or group	Annual growth rate								Cumulative variation
	1984	1985	1986	1987	1988	1989	1990	1991 a/	1981-1991 a/
Central American Common Market	2.5	0.3	1.5	3.3	1.6	3.0	2.5	2.1	11.6
Costa Rica	7.8	0.7	5.3	4.5	3.2	5.5	3.2	1.0	26.2
El Salvador	2.3	1.8	0.5	2.7	1.5	1.1	3.4	3.0	2.0
Guatemala	0.7	-0.2	0.5	3.7	4.1	4.2	3.3	3.0	12.0
Honduras	3.5	2.9	2.3	4.9	4.6	4.0	-0.1	1.0	26.0
Nicaragua	-1.6	-4.1	-1.0	-0.7	-13.4	-5.2	0.1	1.0	-16.0
OECS countries d/	6.2	5.7	7.1	6.0	7.2	5.2	4.3	0.5	68.2
Antigua and Barbuda	7.4	8.8	9.7	9.0	7.7	5.2	2.7	...	83.5
Dominica	5.5	1.7	6.8	6.8	8.0	-1.2	6.3	...	54.3
Grenada	5.5	5.0	5.4	6.0	5.3	5.7	5.3	4.0	64.1
Saint Kitts and Nevis	9.1	5.5	6.4	4.8	6.9	12.1	2.6	...	74.2
Saint Lucia	5.0	6.0	5.8	2.2	6.8	3.5	3.7	-1.0	48.6
Saint Vincent and the Grenadines	5.5	4.6	7.2	6.4	8.6	7.2	6.6	...	86.1

Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures, converted to dollars at constant 1980 prices.

a/ Preliminary estimates, subject to revision.

b/ Not including Cuba.

c/ Refers to total social product.

d/ OECS = Organization of Eastern Caribbean States.

Table 3. Latin America and the Caribbean: growth of per capita gross domestic product

(Percentage)

Country, area or group	Annual growth rate 1984	1985	1986	1987	1988	1989	1990	1991 a/	Cumulative variation 1981-1991 a/
Latin America and the Caribbean b/	1.3	1.1	1.6	0.9	-1.0	-0.8	-1.7	0.9	-8.1
Oil-exporting countries	0.4	-0.2	-2.0	0.2	0.1	-2.2	1.4	2.2	-7.1
Bolivia	-3.1	-3.4	-4.9	0.1	0.5	0.3	0.2	1.0	-22.4
Colombia	1.7	1.7	4.8	3.5	2.2	1.5	2.2	0.0	17.5
Ecuador	2.0	2.1	0.7	-11.8	11.4	-2.4	0.0	1.0	-3.4
Mexico	1.2	0.2	-5.9	-0.5	-0.8	0.9	1.6	2.0	-5.4
Peru	2.4	0.0	6.4	5.8	-10.3	-13.2	-6.8	0.0	-28.3
Trinidad and Tobago	-3.7	-5.7	-3.6	-6.9	-4.1	-1.8	-0.3	0.0	-31.8
Venezuela	-3.4	-2.7	3.7	1.1	3.1	-10.2	3.2	5.9	-16.8
Non-oil-exporting countries b/	2.1	2.2	4.5	1.4	-1.9	0.3	-4.1	-0.1	-9.1
South America	2.4	2.6	5.0	1.4	-1.8	0.3	-4.3	0.0	-8.5
Argentina	1.0	-5.7	4.7	0.8	-4.0	-5.8	-1.4	3.0	-20.3
Brazil	3.0	5.7	5.3	1.3	-1.9	1.2	-5.7	-1.0	-6.6
Chile	3.9	0.5	4.0	3.9	5.7	8.0	0.3	3.5	16.0
Guyana	0.3	-0.8	-1.6	-1.0	-5.8	-6.6	-7.3	...	-41.6
Paraguay	0.0	0.9	-3.3	1.5	3.6	2.9	0.2	0.0	0.7
Suriname	-3.2	0.7	-0.6	-7.4	5.5	0.5	-1.3	...	-11.4
Uruguay	-2.3	1.1	7.6	7.3	-0.7	0.1	0.2	1.5	-3.9
Central America and the Caribbean b/	-0.8	-1.7	0.0	2.0	-2.5	0.9	-1.4	-0.8	-10.4
Bahamas	1.7	11.6	1.9	3.6	2.8	2.8	-1.3	...	30.1
Barbados	3.2	0.5	4.7	1.8	3.2	2.6	-3.8	-1.8	2.6
Belize	0.3	1.8	0.2	11.3	4.7	2.8	-2.0	...	9.4
Cuba c/	6.3	3.6	0.2	-4.9	1.1	0.0	0.0	...	30.0
Dominican Republic	-2.0	-4.1	0.7	5.5	-1.2	2.3	-6.8	-2.0	-5.3
Haiti	-1.5	-1.5	-1.0	-1.9	-0.8	-1.3	-2.7	-3.4	-22.3
Jamaica	-2.2	-6.8	0.7	5.1	-0.5	4.6	2.3	0.4	3.3
Panama	-2.6	2.6	1.3	-0.1	-17.7	-2.3	3.1	3.0	-11.9

Table 3 (continued)

Country, area or group	Annual growth rate 1984	1985	1986	1987	1988	1989	1990	1991 a/	Cumulative variation 1981-1991 a/
Central American Common Market	-0.1	-2.3	-1.1	0.7	-1.1	0.3	-0.3	-0.7	-16.5
Costa Rica	4.8	-2.1	2.4	1.6	0.4	2.7	0.6	-1.5	-7.4
El Salvador	1.5	0.6	-1.0	1.0	-0.3	-0.8	1.4	1.0	-12.6
Guatemala	-2.1	-3.0	-2.4	0.8	1.1	1.3	0.3	0.5	-18.2
Honduras	-0.1	-0.6	-1.1	1.5	1.4	0.8	-3.2	-2.0	-12.9
Nicaragua	-4.3	-6.7	-3.5	-3.0	-15.4	-7.6	-2.9	-3.0	-38.2
OECS countries d/	5.6	4.7	6.1	4.8	6.0	4.2	3.3	-0.4	51.4
Antigua and Barbuda	7.4	8.8	9.7	9.0	7.7	5.2	2.7	...	81.1
Dominica	8.3	0.4	5.4	5.4	6.6	-2.4	5.0	...	37.4
Grenada	4.4	3.9	4.3	3.9	4.2	3.6	4.2	3.0	45.1
Saint Kitts and Nevis	9.1	5.5	6.4	4.8	6.9	12.1	2.6	...	74.2
Saint Lucia	3.3	4.4	4.1	1.4	5.2	2.7	2.2	-2.0	27.1
Saint Vincent and the Grenadines	3.6	3.6	6.2	4.5	6.7	6.2	5.7	...	63.9

Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures, converted to dollars at constant 1980 prices.

a/ Preliminary estimates, subject to revision.

b/ Not including Cuba.

c/ Refers to total social product.

d/ OECS = Organization of Eastern Caribbean States.

(3 per cent) and Jamaica (3 per cent). At the opposite end of the scale, the greatest reductions in per capita output during that same period were recorded in Guyana (-42 per cent), Nicaragua (-38 per cent), Trinidad and Tobago (-32 per cent), Peru (-28 per cent), Haiti (-22 per cent), Bolivia (-22 per cent), Argentina (-20 per cent), Guatemala (-18 per cent), Venezuela (-17 per cent), Honduras (-13 per cent) and Panama (-12 per cent).

19. The moderate growth shown by the majority of the economies in the region did not help much to increase employment, with rates of unemployment showing no significant changes with respect to previous years (see table 4). In Chile and Venezuela, countries that recorded relatively high growth, rates of open unemployment even increased. On the other hand, in Argentina unemployment declined by nearly one percentage point, reflecting the economic recovery experienced in that country. Panama showed some improvement in its labour market, which was helped by the gradual return to normal of the economy following the severe crisis of 1988; but here too, the rate of unemployment remained very high. As for Brazil, it recorded an increase in unemployment for the second consecutive year owing to recessive conditions.

Table 4. Latin America and the Caribbean: Urban unemployment

(Percentage)

Country	Average annual rate								
	1983	1984	1985	1986	1987	1988	1989	1990	1991 a/
Argentina b/	4.7	4.6	6.1	5.2	5.9	6.3	7.6	7.4	6.5
Bolivia c/	8.5	6.9	5.8	7.0	7.2	11.6	10.2	9.5	8.1
Brazil d/	6.7	7.1	5.3	3.6	3.7	3.8	3.3	4.3	5.0
Chile e/	19.0	18.5	17.0	13.1	11.9	10.0	7.2	6.5	7.9
Colombia f/	11.7	13.4	14.1	13.8	11.8	11.2	9.9	10.3	10.3
Costa Rica b/, g/	8.5	6.6	6.7	6.7	5.9	6.3	3.7	5.4	5.0
Ecuador h/	6.7	10.5	10.4	10.7	7.2	7.4	7.9	...	...
El Salvador b/	...	...	...	...	...	9.4	8.4	10.0	...
Guatemala i/	9.9	9.1	12.0	14.0	11.4	8.8	6.2	6.4	6.5
Honduras j/	9.5	10.7	11.7	12.1	11.4	8.7	8.0	7.1	8.4
Mexico k/	6.6	5.7	4.4	4.3	3.9	3.5	2.9	2.9	2.6
Panama l/	11.7	12.4	15.7	12.7	14.1	21.1	16.3	16.8	15.1
Paraguay m/	8.3	7.3	5.1	6.1	5.5	4.7	6.1	6.6	...
Peru n/	9.0	8.9	10.1	5.4	4.8	7.1	7.9	8.3	...
Uruguay o/	15.5	14.0	13.1	10.7	9.3	9.1	8.6	9.3	9.2
Venezuela b/	11.2	14.3	14.3	12.1	9.9	7.9	9.7	10.5	10.9

Source: Economic Commission for Latin America and the Caribbean and Regional Employment Programme for Latin America and the Caribbean, on the basis of official figures.

(Footnotes on following page)

(Footnotes to table 4)

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a/ Preliminary figures.

b/ Covering national urban unemployment.

c/ Covering national unemployment.

d/ Covering metropolitan areas of Rio de Janeiro, São Paulo, Belo Horizonte, Pôrto Alegre, Salvador and Recife.

e/ Covering greater Santiago. As from August 1983, data relate to metropolitan area of Santiago; as from October 1985, figures are not strictly comparable with those for preceding periods owing to changes in make-up and size of samples.

f/ Covering Bogotá, Barranquilla, Medellin and Cali.

g/ From 1987 onward, figures are not strictly comparable with data for preceding years owing to methodological changes in the multi-purpose household surveys.

h/ Covering country total unemployment. From 1986 on, based on permanent household survey in Quito, Guayaquil and Cuenca.

i/ Covering country total unemployment.

j/ Covering country total up to 1985; 1986: based on urban labour force survey; 1987: covering central district and San Pedro Sula and five cities; 1988: covering national urban unemployment; from 1989 on: covering Tegucigalpa.

k/ Covering metropolitan areas of Mexico City, Guadalajara and Monterey.

l/ Covering metropolitan region.

m/ Covering Asunción, Fernando de la Mora, Lambare and the urban areas of Luque and San Lorenzo.

n/ Covering metropolitan Lima.

o/ Covering Montevideo.

II. INFLATION AND WAGES

20. In 1991 there was a notable slow-down in inflation. After three years of high rates of domestic price variation in the countries of Latin America and the Caribbean, the widespread adoption or intensification of stabilization programmes and, in particular, the shock tactics put into effect in some economies made rates of inflation fall rapidly. Actually, the average rise in prices for the region, weighted by population, fell from 1,200 per cent in 1989 and 1990 to close to 200 per cent in 1991. Although that figure was still high, the extent of improvement and the downward trend observed throughout the year were promising signs (see table 5).

21. The pattern of inflation found in these economies towards the end of 1991 suggests even greater progress. The annualized rate of consumer price variation in 22 countries for the last quarter of the year shows that in 15 of them inflation was under 20 per cent, while in another 3 countries the level of inflation fluctuated between 30 per cent and 50 per cent a year. Only four countries showed higher rates, and in three of them the rate of inflation was between 55 per cent and 80 per cent, leaving only one country where the rate at the end of 1991 exceeded those levels.

22. Countries with chronically high rates of inflation saw a plummeting from the increase in their domestic prices. Following instances of hyperinflation in nearly all of them, the shock tactics adopted between mid-1990 and mid-1991, which included radical exchange rates and monetary and financial reforms, sharply reduced the inflation that had accumulated in the 12 months up to November, bringing it down from 1,350 to 90 per cent in Argentina, from 1,600 to 465 per cent in Brazil, from 13,500 to 1,180 per cent in Nicaragua and from 7,650 to 185 per cent in Peru. Uruguay, which is also in this group, brought its annual rate down from 130 per cent in 1990 to 85 per cent in 1991. Price stabilization at the end of the year was dramatic in Argentina and Nicaragua, whose monthly rates were in the neighbourhood of 1-2 per cent, and in Peru, which recorded a monthly average of 4 per cent. The case of Brazil contrasted sharply with those just mentioned: although at the beginning of the year measures were adopted that made the 1990 stabilization programme even more restrictive and brought about a reduction in the rate of inflation during the second quarter of 1991, the situation later reversed itself to the point where a price increase of around 25 per cent was recorded in October and November.

23. The economies that a few years ago experienced high rates of inflation have kept their stabilization programmes in operation with varying results. In the Dominican Republic, inflation dropped abruptly to 25 per cent after having climbed to 100 per cent the preceding year. Mexico also made notable progress, bringing its rate of domestic price variation down to 20 per cent (from 30 per cent in 1990). On the other hand, little progress was made in Venezuela (37 to 33 per cent in 1991) and in Ecuador (50 to 47 per cent). In Guatemala, a considerable rise in consumer prices the preceding year was followed by another increase - of 25 per cent - in 1991.

Table 5. Latin America and the Caribbean: December-to-December variations in consumer price indices

(Percentage)

Country or area	1983	1984	1985	1986	1987	1988	1989	1990	1991 a/
Latin America and the Caribbean	130.5	184.7	274.1	64.5	198.5	778.8	1 161.0	1 186.3	202.4
Argentina	433.7	688.0	385.4	81.9	174.8	387.7	4 923.8	1 343.9	91.3 b/
Barbados	5.5	5.1	2.4	-0.5	6.3	4.4	6.5	3.4	5.7 c/
Bolivia	328.5	2 177.2	8 170.5	66.0	10.7	21.5	16.6	18.0	16.0 b/
Brazil	179.2	203.3	228.0	58.4	365.9	993.3	1 863.6	1 585.2	465.8 b/
Chile	23.6	23.0	26.4	17.4	21.5	12.7	21.4	27.3	17.8 b/
Colombia	16.5	18.3	22.3	21.0	24.0	28.2	26.1	32.0	29.0 d/
Costa Rica	10.7	17.3	11.1	15.4	16.4	25.3	10.0	27.5	26.7 b/
Dominican Republic	7.7	38.1	28.4	6.5	25.0	57.6	41.2	100.7	25.2 d/
Ecuador	52.5	25.1	24.4	27.3	32.5	85.7	54.2	49.5	46.8 b/
El Salvador	15.5	9.8	30.8	30.3	19.6	18.2	23.5	19.3	14.3 d/
Guatemala	15.4	5.2	31.5	25.7	10.1	11.0	17.9	59.6	24.6 e/
Haiti	11.2	5.4	17.4	-11.4	-4.1	8.6	10.9	26.1	16.6 c/
Honduras	7.2	3.7	4.2	3.2	2.7	6.7	11.4	36.4	33.2 e/
Jamaica	16.7	31.2	23.9	10.5	8.4	8.8	17.2	29.7	56.0 c/
Mexico	80.8	59.2	63.7	105.7	159.2	51.7	19.7	29.9	19.9 d/
Nicaragua	35.5	47.3	334.3	747.4	1 347.4	33 602.6	1 690.0	13 490.9	1 183.2 b/
Panama	2.0	0.9	0.4	0.4	0.9	0.3	-0.2	1.5	2.9 d/
Paraguay	14.1	29.8	23.1	24.1	32.0	16.9	28.5	44.1	13.5 d/
Peru	125.1	111.5	158.3	62.9	114.5	1 722.6	2 776.6	7 657.8	185.4 b/
Trinidad and Tobago	15.4	14.1	6.6	9.9	8.3	12.1	9.3	9.5	4.1 f/
Uruguay	51.5	66.1	83.0	76.4	57.3	69.0	89.2	129.0	85.5 b/
Venezuela	7.0	18.3	5.7	12.3	40.3	35.5	81.0	36.5	32.7 d/

Source: International Monetary Fund, International Financial Statistics, November 1991, and information provided by the countries.

(Footnotes on following page)

(Footnotes to table 5)

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a/ Figures corresponding to the variation in prices during the 12-month period ending in the month indicated for each country.

b/ Corresponding to the variation between November 1990 and November 1991.

c/ Corresponding to the variation between August 1990 and August 1991.

d/ Corresponding to the variation between October 1990 and October 1991.

e/ Corresponding to the variation between September 1990 and September 1991.

f/ Corresponding to the variation between June 1990 and June 1991.

24. There were also dissimilarities in behaviour in those economies with moderate levels of inflation. Some countries were able, with varying degrees of rapidity, to reverse the rises in inflation experienced the preceding year. (Chile brought its rate down from 27 to 18 per cent; Paraguay, from 44 to 14 per cent, and El Salvador, from 19 to 14 per cent.) In other cases, however, strong resistance was encountered; thus, the variation in prices receded only slightly in Colombia (from 32 to 29 per cent), Bolivia (from 18 to 16 per cent) and Honduras (from 36 to 33 per cent). In Costa Rica, on the other hand, the annual rate of inflation remained in the neighbourhood of 27 per cent. Conversely, prices rose by 56 per cent in Jamaica in the 12 months ending in August 1991, virtually doubling the rate recorded the preceding year and reaching a record high.

25. Among those countries that have traditionally recorded low annual rates of inflation, Haiti stands out; although lower than the rate shown the preceding year, the 17 per cent observed in 1991 was high by comparison with historical performance. Trinidad and Tobago also managed to reduce its rate of inflation (to 4 per cent) following a number of years of rates close to or even higher than 10 per cent, whereas in Panama and Barbados prices rose by 3 per cent and 6 per cent, respectively.

26. The slow-down in domestic price rises had different effects on the purchasing power of the wage-earners of the region. The real level of the legal minimum wage fell again in the majority of countries for which information was available. However, the behaviour of real average remunerations varied, increasing in Argentina, Chile, Mexico and Uruguay, whose economies grew in per capita terms, and falling in Brazil, Colombia and Peru, where per capita growth either stagnated or declined. This suggests that, generally speaking, the real wage paid in the formal sector of economies probably kept pace with the growth of average productivity.

27. Two important developments that are particularly relevant to the process of inflation have characterized the economic policy of most countries of Latin America and the Caribbean: a marked tendency to reduce the financial imbalance of the public sector and a downward trend throughout the region among real exchange rates within the context of a considerable inflow of capital (see table 6).

28. Actually, following the severe fiscal adjustments recorded over the preceding two years, which significantly reduced the financial needs of the public sector, during 1991 the majority of countries in the region intensified their quest for fiscal balance. Economies with recently adjusted public sectors showed greater vulnerability in terms of budget management than countries where fiscal restructuring had been embarked upon earlier. In many cases financial balance has been obtained by the effecting of tremendous cuts in expenditures at both the level of consumption and of investment, with economies even going so far as to postpone foreign debt service payments; in other countries, there has been recourse to sales of fixed assets, including in particular the privatization of public enterprises, thereby attracting inflows of capital that have made it possible to balance public accounts. In

Table 6. Latin America and the Caribbean: Real effective exchange rate indices for exports a/

(Base: 1985 = 100)

Country	De-flator	1970-1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991 b/
Argentina	WPI	115	80	90	102	99	92	100	121	152	144	137	138	136
	CPI	110	60	70	107	107	93	100	105	125	137	150	113	83
Bolivia	CPI	147	143	101	143	91	92	100	125	122	134	129	157	156
Brazil	WPI	85	114	93	89	108	99	100	104	108	98	80	69	84
	CPI	60	91	76	71	94	99	100	102	99	92	73	61	68
Chile	WPI c/	97	79	70	82	87	87	100	113	119	135	127	135	127
	CPI d/	68	72	59	67	79	81	100	117	124	130	122	126	120
Colombia	WPI	113	101	92	85	84	89	100	128	143	145	144	168	166
	CPI	111	99	87	81	82	88	100	131	149	150	153	174	170
Costa Rica	WPI	89	89	126	115	96	96	100	105	115	123	118	122	128
Dominican Republic	CPI	76	79	79	85	89	122	100	86	102	119	88	77	76
Ecuador	CPI	92	80	74	77	77	104	100	103	115	136	138	143	132
El Salvador	CPI	208	197	169	152	135	121	100	160	138	121	114	139	130
Guatemala	CPI	113	130	118	120	118	116	100	137	177	178	177	207	176
Haiti e/	CPI	140	140	135	127	117	111	100	97	115	115	141	143	...
Honduras	CPI	125	138	128	117	108	104	100	103	108	109	101	177	188
Mexico f/	WPI	82	75	67	100	126	92	100	115	116	96	92	93	84
	CPI	79	76	67	97	125	94	100	116	119	96	89	88	77
Nicaragua	CPI	...	360	280	217	164	118	100	37	10	147	194	161	150
Paraguay f/	CPI	67	60	53	64	82	82	100	105	110	114	116	112	93
Peru	CPI	73	95	82	74	85	84	100	84	74	84	52	38	30
Uruguay	WPI	104	82	77	83	109	100	100	102	101	113	114	130	114
	CPI	92	68	58	60	94	98	100	96	96	103	101	112	93
Venezuela	WPI c/	122	106	96	89	97	107	100	113	141	146	156	178	176
	CPI	104	99	89	81	90	103	100	118	158	153	177	188	173

Source: Economic Commission for Latin America and the Caribbean on the basis of figures compiled by the International Monetary Fund.

Note: WPI stands for wholesale price index; CPI for consumer price index.

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(Footnotes to table 6)

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a/ Corresponding to the average indices of the real exchange rate (official principal) between the currency of each country and the currencies of its main trading partners weighted by the relative participation of each of those countries in the exports of the country under analysis. From 1970 to 1980, these weightings corresponded to the average for the period 1975-1979 and from 1981 on, to the average for the period 1983-1988. For the methodology and sources used, see the statistical appendix to the Economic Survey of Latin America and the Caribbean, 1981.

b/ January-to-September average: preliminary estimates (subject to revision).

c/ National commodities subindex of the wholesale price index.

d/ J. Yáñez's corrected consumer price index for the period 1970-1973, R. Cortázar and J. Marshall's corrected consumer price index for 1975-1978 and the consumer price index prepared by the National Statistical Institute for the years 1979 on.

e/ From 1988 on, the commercial exchange rate was used.

f/ Free exchange rate used.

these economies, the amount of success attained by stabilization programmes based on fiscal adjustment will depend on whether extraordinary revenues can be replaced by permanent fiscal resources and whether reductions in spending can be converted into a permanent restructuring of the services involved. If this does not happen, it is possible that unfavourable expectations will develop concerning the durability of the fiscal balance; these could change the private sector's projections and, in so doing, introduce a degree of uncertainty that would affect the progress realized so far in the battle against inflation.

29. Another occurrence that has been felt with particular intensity throughout the region has been the tendency for real exchange rates to fall, although in many cases this decline began at a high level. A considerable inflow of foreign resources (much of it made up of short-term private capital attracted by the existing differential between declining international interest rates and the returns offered on national currency, within the context of a declining nominal rate of exchange) increased the amount of foreign exchange on hand at a time when the demand for it was shrinking due to diminished uncertainty regarding the exchange rate and in turn produced a fall in the real exchange rate. Although this favoured stabilization efforts, it also introduced a negative factor for external competitiveness by raising domestic dollar costs. Faced with this economic policy dilemma, Governments resorted to various strategies. The central banks of a number of countries decided to intervene in the exchange market to break the fall in the local currency. Those strategies, which increased official international reserves, expanded the money supply and caused levels of liquidity to be higher than those needed to achieve stabilization goals. In other cases priority was given to the anti-inflation objective by the maintaining of a more independent monetary policy, which caused a considerable decline in the real exchange rate.

30. The liberalization of trade and the programmes aimed at tariff reductions have also favoured anti-inflation objectives in that they have paved the way for price reductions and an increase in aggregate supply.

III. THE EXTERNAL SECTOR

31. The performance of the Latin American and Caribbean economies in 1991 was influenced by events in the international economy that had differing types of impacts on their export markets and on the cost and volume of external credit. The growth rate of the industrial economies continued to slacken, and the recession into which some of them had slipped during the second half of 1990 deepened during the first half of 1991. The poor performance of the industrial economies was reflected in world trade and the persistent downturn in commodity prices was thereby prolonged. The average prices of sugar, cocoa, coffee, soya, wheat, wool, copper, tin, lead, zinc and petroleum fell in 1991, and in some cases the decreases were quite steep. In contrast, the prices of banana, beef, fish-meal, maize and iron ore rose. Oil prices, which had soared between August and October 1990 owing to the crisis in the Persian Gulf, tumbled in mid-January 1991 when war broke out there. By February, oil prices had nearly returned to their pre-crisis levels and continued to hover around those levels during the following months. Then, late in the year, oil prices began to climb again. The net result was that average prices for 1991 were 17 per cent below their 1990 average. In the international financial market, interest rates declined as a consequence of the recessionary situation in most of the industrial countries and of the slow-down in inflation, which was bolstered by the oil market's return to normalcy early in the year.

32. The value of the region's merchandise exports held virtually steady at US$ 122 billion. This marked the end of a growth trend dating back to 1987 during which exports had expanded at an average annual rate of 12 per cent. The flattening out of this growth curve was attributable to a 5 per cent drop in unit value, since the volume of exports continued to climb at a rate of almost 6 per cent (see table 7).

33. The export performance of the countries of the region was quite mixed: 6 countries - Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador and Panama - recorded substantial increases (between 5 per cent and 21 per cent); 5 - Brazil, Ecuador, Guatemala, Mexico and Peru - had smaller increases (under 4 per cent); and 8 economies - Argentina, Bolivia, Haiti, Honduras, Nicaragua, Paraguay, Uruguay and Venezuela - experienced decreases (between -2 per cent and -10 per cent). The value of the oil-exporting countries' exports slipped by slightly more than 1 per cent as a result of a 9 per cent drop in unit value (chiefly because of the slump in average prices of hydrocarbons) and an 8 per cent expansion in volume. The non-oil-exporting countries, on the other hand, saw a modest increase (less than 2 per cent) in the value of their exports, thanks to an expansion of export volumes, since the unit value of those exports had slightly decreased. Within this group, the export values of the South American countries showed little change, whereas those of the Central American and Caribbean countries rose considerably (10 per cent).

34. The value of the merchandise imports of Latin America and the Caribbean climbed by 19 per cent to US$ 110 billion, and the rising trend of imports was therefore strengthened for the second year in a row. This upturn was

Table 7. Latin America and the Caribbean: export of goods, free on board

Country, area or group	Value				Unit value				Volume			
	Index	Rate (percentage)			Index	Rate (percentage)			Index	Rate (percentage)		
	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/
Latin America and the Caribbean	138	9.8	9.7	0.4	78	6.2	3.5	-5.0	178	3.4	5.9	5.6
Oil-exporting countries	125	16.6	20.0	-1.2	70	12.3	10.2	-9.0	182	3.9	8.8	8.6
Bolivia	81	33.4	14.8	-8.5	77	10.7	-7.8	-6.7	105	20.5	24.5	-1.9
Colombia	189	12.9	17.8	6.1	86	1.1	-1.0	-2.8	221	11.6	19.0	9.1
Ecuador	111	6.9	15.3	3.5	58	8.7	9.6	-5.9	192	-1.6	5.2	9.9
Mexico	175	10.7	17.6	1.5	67	9.1	9.6	-6.6	260	1.4	7.3	8.7
Peru	85	31.6	-7.5	1.3	88	1.8	-2.6	-6.3	97	29.3	-5.0	8.1
Venezuela	82	28.1	33.8	-9.2	67	24.8	21.2	-16.4	130	2.6	10.4	8.5
Non-oil-exporting countries	152	5.2	1.6	1.8	88	2.0	-1.3	-0.6	173	3.1	3.0	2.4
South America	162	4.9	0.6	0.5	86	2.0	-1.4	-1.2	188	2.8	2.1	1.7
Argentina	146	4.8	29.1	-5.3	82	12.1	-1.1	-2.1	178	-6.6	30.4	-3.2
Brazil	159	1.8	-8.6	1.9	86	-1.4	-1.3	0.1	184	3.2	-7.5	1.8
Chile	188	14.6	2.8	6.6	87	1.8	-1.9	-3.9	217	12.6	4.8	11.0
Paraguay	320	33.9	19.4	-8.0	101	4.1	-2.9	-2.0	317	28.6	22.9	-6.1
Uruguay	153	13.8	5.9	-4.5	97	7.3	-3.7	-4.0	158	6.1	10.0	-0.7

/...

Table 7 (continued)

Country, area or group	Value				Unit value				Volume			
	Index	Rate (percentage)			Index	Rate (percentage)			Index	Rate (percentage)		
	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/
Central America and the Caribbean	114	6.8	8.9	10.1	103	2.3	-1.3	2.4	109	4.4	10.1	7.6
Costa Rica	151	12.9	2.4	10.5	80	-0.9	-5.2	3.1	190	13.9	8.0	7.2
Dominican Republic	81	3.9	-20.5	5.5	78	9.9	-14.7	0.7	95	-5.5	-6.8	4.7
El Salvador	58	-8.7	4.0	7.1	69	-2.7	-28.0	-0.4	84	-6.1	44.5	7.6
Guatemala	82	4.9	7.5	2.8	80	-1.6	-2.9	-7.0	103	6.6	10.8	10.5
Haiti	58	-17.8	-6.3	-10.1	93	-7.0	-3.0	1.6	62	-11.6	-3.4	-11.5
Honduras	109	8.3	-2.5	-1.8	102	0.7	-3.2	3.0	107	7.5	0.8	-4.7
Nicaragua	64	23.0	10.7	-9.7	92	-3.1	-2.9	0.7	70	27.0	14.0	-10.1
Panama	176	9.3	29.2	20.5	162	7.9	12.4	3.1	109	1.3	14.9	16.8

Source: Economic Commission for Latin America and the Caribbean.

Note: For indices, base: 1980 = 100. Rate means annual growth rate.

a/ Preliminary estimates.

accounted for almost entirely by the increase in volumes, since unit values remained virtually constant (see table 8). Import expansion among the oil-exporting countries (26 per cent) was greater than that among the non-oil-exporting countries (12 per cent), but in both groups of countries the rise in imports was primarily a result of larger volumes. Although the upswing in imports was quite widespread among the region's countries, nearly all of the US$ 17.7 billion increase over the 1990 level was accounted for by just three countries: Mexico (US$ 7.7 billion), Venezuela (US$ 4 billion) and Argentina (US$ 3.6 billion). In contrast, imports shrank by slightly over US$ 200 million in Colombia, by more than US$ 100 million in Costa Rica, and by smaller amounts in Haiti, Honduras and the Dominican Republic (see table 9).

35. Since the value of imports rose substantially whereas that of exports held more or less steady, the merchandise trade surplus fell from nearly US$ 30 billion in the previous two years to less than US$ 12 billion in 1991. Thus in spite of a reduction in the amount of profits and interest due, the trade balance in 1991 was equivalent to 40 per cent of those net payments, compared with 85 per cent the year before (see tables 9 and 10).

36. The net amount of profits and interest due went down for the second year running, this time to a little over US$ 29 billion, mainly because of the decline in international interest rates. The balance-of-payments current account deficit, however, which had been falling in recent years, rose to more than US$ 17 billion because of the smaller trade surplus.

37. This larger current account deficit of the region was amply covered by an inflow of US$ 36 billion of capital: double the net inflow of the previous year, which had in turn been double that of 1989. Although the increased net inflow of capital was fairly generalized, most of the increase in the regional total was attributable to only a few countries. In first place was Mexico, whose capital inflow increased spectacularly, for the second year running, to almost US$ 20 billion. Argentina also registered a large increase (US$ 3.5 billion) in its net inflow of capital, which amounted to over US$ 5 billion in 1991. In Venezuela, the negative balance of US$ 4.6 billion registered the year before was turned into a net positive inflow of nearly US$ 2 billion. Capital inflows also increased in Peru, Bolivia, Paraguay and four of the six Central American countries. In contrast, however, there were marked reductions in the net capital inflows in Brazil (where the balance became negative) and Chile (because of the reduction of the external debt and a policy of lowering the yields on short-term deposits).

38. The inflows of capital registered in 1991, which came essentially from private sources, were of various types. In Argentina, Mexico, Venezuela and Chile these inflows included substantial amounts of foreign investment, partly connected - in the case of the first three countries - with the privatization of public enterprises. Mexico, and to a lesser extent Venezuela, Brazil and Argentina, was additionally able to sell bonds abroad. At the same time, in these and other countries there were considerable short-term financial inflows, motivated by the differential between domestic and international yields, as well as repatriation of assets to provide working capital for

Table 8. Latin America and the Caribbean: import of goods, free on board

Country, area or group	Value				Unit value				Volume			
	Index	Rate (percentage)			Index	Rate (percentage)			Index	Rate (percentage)		
	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/
Latin America and the Caribbean	122	6.6	13.3	19.2	106	5.7	5.2	0.2	115	0.8	7.8	19.0
Oil-exporting countries	148	-1.6	17.6	26.1	104	4.0	5.2	0.6	142	-5.4	11.7	25.3
Bolivia	138	23.5	6.3	1.8	101	1.8	4.5	1.2	136	21.3	1.7	0.6
Colombia	113	0.9	11.7	-4.6	108	5.6	5.6	0.9	105	-4.5	5.7	-5.4
Ecuador	92	6.9	1.1	20.1	95	4.7	5.3	1.1	96	2.2	-4.1	18.9
Mexico	149	23.9	27.3	25.9	105	3.2	5.3	1.3	189	20.1	20.9	24.4
Peru	106	-23.3	34.8	13.2	116	7.2	13.2	1.3	91	-28.4	19.1	11.8
Venezuela	96	-39.7	-10.2	60.7	98	3.9	0.5	0.1	99	-42.0	-10.6	60.6
Non-oil-exporting countries	102	15.6	9.3	12.2	109	7.1	5.3	0.0	93	8.0	3.8	12.1
South America	96	16.2	9.9	14.1	107	8.8	5.3	-0.6	90	6.8	4.4	14.7
Argentina	78	-21.0	-3.6	97.5	127	6.1	7.1	-1.2	62	-25.5	-10.0	99.6
Brazil	92	25.0	11.8	2.8	106	13.2	5.1	-2.9	87	10.5	6.4	5.9
Chile	133	34.5	8.2	3.2	104	6.0	7.9	-0.2	127	27.0	0.3	3.4
Paraguay	218	-2.8	35.2	8.9	78	-1.5	-0.3	-0.4	277	-1.3	35.5	9.3
Uruguay	88	2.2	11.5	15.9	98	6.8	7.7	-0.9	90	-4.3	3.6	17.1

Table 8 (continued)

Country, area or group	Value				Unit value				Volume			
	Index	Rate (percentage)			Index	Rate (percentage)			Index	Rate (percentage)		
	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/	1991 a/	1989	1990	1991 a/
Central America and the Caribbean	123	13.9	7.7	6.8	116	2.2	5.7	2.2	106	11.5	1.9	4.5
Costa Rica	124	22.9	16.6	-7.3	106	4.1	8.2	0.8	117	18.1	7.8	-8.0
Dominican Republic	115	22.1	-8.7	-2.3	110	4.7	5.0	-1.0	105	16.7	-13.0	-1.4
El Salvador	142	26.2	-9.0	14.9	131	-6.7	8.9	0.2	108	35.4	-16.4	14.6
Guatemala	112	5.0	-3.8	15.3	99	-3.2	5.3	-0.2	113	8.5	-8.7	15.3
Haiti	69	-8.7	-13.3	-2.2	107	2.1	5.2	-3.2	65	-10.5	-17.6	1.1
Honduras	104	5.2	5.2	-1.9	118	5.0	5.1	0.2	88	0.2	0.1	-1.9
Nicaragua	74	-23.8	8.2	-0.5	90	-7.1	5.0	-2.5	81	-18.0	3.1	2.2
Panama	152	21.0	28.5	16.0	126	5.1	2.1	0.9	120	15.2	25.9	15.0

Source: Economic Commission for Latin America and the Caribbean.

Note: For indices, base: 1980 = 100. Rate means annual growth rate.

a/ Preliminary estimates.

Table 9. Latin America and the Caribbean: trade balance (goods)

(millions of dollars)

Country, area or group	Export of goods free on board			Import of goods free on board			Trade balance (goods)		
	1989	1990	1991 a/	1989	1990	1991 a/	1989	1990	1991 a/
Latin America and the Caribbean	110 035	121 747	122 215	81 651	92 541	110 315	29 384	29 206	11 900
Oil-exporting countries	48 331	57 977	57 280	39 813	46 802	59 010	8 518	11 175	-1 730
Bolivia	724	831	760	730	776	790	-6	55	-30
Colombia	6 031	7 105	7 540	4 557	5 088	4 855	1 474	2 017	2 685
Ecuador	2 354	2 714	2 810	1 693	1 711	2 055	661	1 003	755
Mexico	22 765	26 773	27 170	23 410	29 799	37 530	-645	-3 026	-10 360
Peru	3 542	3 276	3 320	2 140	2 885	3 265	1 402	391	55
Venezuela	12 915	17 278	15 680	7 283	6 543	10 515	5 632	10 735	5 165
Non-oil-exporting countries	62 704	63 770	64 935	41 838	45 739	51 305	20 866	18 031	13 630
South America	54 794	55 163	55 455	30 766	33 808	38 565	24 028	21 355	16 890
Argentina	9 573	12 354	11 700	3 864	3 726	7 360	5 709	8 628	4 340
Brazil	34 375	31 414	32 000	18 263	20 424	21 000	16 112	10 990	11 000
Chile	8 080	8 310	8 860	6 502	7 037	7 260	1 578	1 273	1 600
Paraguay	1 167	1 392	1 280	1 001	1 354	1 475	166	38	-195
Uruguay	1 599	1 693	1 615	1 136	1 267	1 470	463	426	145

Table 9 (continued)

Country, area or group	Export of goods free on board			Import of goods free on board			Trade balance (goods)		
	1989	1990	1991 a/	1989	1990	1991 a/	1989	1990	1991 a/
Central America and the Caribbean	7 910	8 607	9 480	11 072	11 931	12 740	-3 162	-3 324	-3 260
Costa Rica	1 333	1 366	1 510	1 572	1 833	1 700	-239	-467	-190
Dominican Republic	924	735	775	1 964	1 793	1 750	-1 040	-1 058	-975
El Salvador	558	580	620	1 220	1 110	1 275	-662	-530	-655
Guatemala	1 126	1 211	1 245	1 484	1 428	1 645	-358	-217	-400
Haiti	148	139	125	259	225	220	-111	-86	-95
Honduras	967	943	925	964	1 014	995	3	-71	-70
Nicaragua	290	321	290	547	592	590	-257	-271	-300
Panama	2 564	3 312	3 990	3 062	3 936	4 565	-498	-624	-575

Source: 1989 and 1990: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures supplied by the International Monetary Fund. (The 1990 figures for Brazil, El Salvador, Guatemala, Honduras and Peru, and the 1989 and 1990 figures for Nicaragua, are ECLAC estimates.) 1991: ECLAC, on the basis of official figures.

a/ Preliminary ECLAC estimates. Figures have been rounded to the nearest five or ten.

Table 10. Latin America and the Caribbean: balance of payments

(Millions of dollars)

Country, area or group	Net service payments a/			Net payments of profits and interest b/			Balance on current account c/			Net movement of capital d/			Global balance e/		
	1989	1990	1991 f/	1989	1990	1991 f/	1989	1990	1991 f/	1989	1990	1991 f/	1989	1990	1991 f/
Latin America and the Caribbean	2 050	3 760	6 495	37 945	34 374	29 310	-6 837	-4 078	-17 405	9 620	18 432	36 020	2 783	14 354	18 615
Oil-exporting countries	-648	370	2 000	15 197	14 146	12 200	-3 347	-333	-11 830	4 691	7 153	26 150	1 344	6 820	14 320
Bolivia	160	169	175	254	247	245	-399	-339	-425	295	352	540	-104	13	115
Colombia	322	273	380	2 245	2 352	1 730	-181	406	2 265	615	206	95	434	612	2 360
Ecuador	162	186	315	1 068	1 053	995	-569	-236	-555	762	618	580	193	382	25
Mexico	-2 594	-2 067	-2 000	7 982	7 765	6 900	-4 111	-6 517	-12 590	4 289	8 820	19 590	178	2 303	7 000
Peru	386	610	840	1 280	1 411	1 590	-264	-1 630	-2 375	858	1 776	3 380	594	146	1 005
Venezuela	916	1 199	2 290	2 368	1 318	740	2 177	7 983	1 850	-2 128	-4 619	1 965	49	3 364	3 815
Non-oil-exporting countries	2 698	3 390	4 495	22 748	20 228	17 110	-3 868	-3 745	-5 575	4 929	11 279	9 870	1 439	7 534	4 295
South America	3 876	4 542	5 830	21 307	18 880	15 590	-863	-1 105	-3 290	2 012	8 580	6 485	1 149	7 475	3 195
Argentina	600	707	1 640	6 422	6 203	5 300	-1 305	1 789	-2 600	-43	1 588	5 100	-1 348	3 377	2 500
Brazil	2 784	3 527	3 750	12 547	10 498	8 150	1 007	-2 201	300	693	3 454	-400	1 700	1 253	-100
Chile	635	485	365	1 925	1 811	1 865	-924	-970	-590	1 493	3 301	1 390	569	2 331	800
Paraguay	-111	-65	195	64	46	15	214	61	-405	-102	171	285	112	232	-120
Uruguay	-32	-112	-120	349	322	260	145	216	5	-29	66	110	116	282	115
Central America and the Caribbean	-1 178	-1 152	-1 335	1 441	1 348	1 520	-2 627	-2 640	-2 285	2 917	2 699	3 385	290	59	1 100
Costa Rica	-12	-26	-80	380	284	210	-567	-679	-270	713	472	525	146	-207	255
Dominican Republic	-754	-780	-745	232	151	310	-211	-114	-210	213	122	130	2	8	-80
El Salvador	36	42	15	107	138	125	-572	-364	-325	687	481	395	115	117	70
Guatemala	67	123	160	191	171	180	-438	-371	-525	510	302	825	72	-69	300
Haiti	100	94	85	26	25	25	-178	-158	-160	179	185	155	1	27	-5
Honduras	84	85	115	266	265	270	-331	-400	-430	302	506	420	-29	-17	-10
Nicaragua	62	65	95	205	236	250	-524	-572	-585	456	353	585	-68	-219	0
Panama	-761	-755	-980	34	78	150	194	18	220	-143	278	350	51	296	570

Source: 1989 and 1990: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures supplied by the International Monetary Fund. (The 1990 figures for Brazil, El Salvador, Honduras and Peru, and the 1989 and 1990 figures for Nicaragua, are ECLAC estimates.) 1991: ECLAC, on the basis of official figures.

(Footnotes to table on following page)

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(Footnotes to table 10)

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a/ Not including net payments of profits and interest.

b/ Including interest due.

c/ Including net unrequited private transfer payments, at a significant level in 1990 in the following countries: Colombia, Mexico, Brazil, El Salvador, Guatemala and the Dominican Republic.

d/ Including short- and long-term capital, unrequited official transfer payments, and errors and omissions.

e/ Corresponding to the variation in international reserves (of opposite sign) plus counterpart items.

f/ Preliminary ECLAC estimates. Figures have been rounded to the nearest ten or five.

enterprises. Finally, in the majority of the countries of the region arrears in debt service continued to be an important source of financing.

39. As the capital inflow was more than double the current account deficit, the international reserves of the countries continued to recover for the third consecutive year, and in 1991 the increase in reserves came to nearly US$ 19 million. Moreover, this increase was quite widespread: only five countries registered a negative global balance.

40. The big increase in the net capital inflow - further heightened by the reduction in remittances of profits and accrued interest - gave rise to a positive net transfer of financial resources to the region for the first time since 1981: the net outward transfer of US$ 16 billion registered in 1990 was converted into a net inflow of nearly US$ 7 billion (see table 11). However, this turn around was essentially due to changes in the capital accounts of just a few countries. Half of the increase in the net movement of capital from 1990 to 1991 reflected the increased positive flow received by Mexico, another 30 per cent corresponded to the reversal in the net transfer of Venezuela and another 20 per cent was accounted for by the decline in the net outflow of resources from Argentina. In 1991 (in contrast with the year before, when the reduction in the net transfers abroad was due to increased arrears on debt service), the improvement in most of the countries was the result of bigger voluntary capital flows that were predominantly unrelated to debt.

Table 11. Latin America and the Caribbean: net capital inflow and transfer of resources

	(1) Net capital inflow	(2) Net payments of profits and interest	(3) Transfer of resources (3)=(1)-(2)	(4) Export of goods and services	(5) Transfer of resources/export of goods and services (5)=(3)/(4)
	Billions of dollars				(percentage)
			Latin America and the Caribbean		
1975	14.3	5.6	8.7	41.0	21.2
1976	17.9	6.8	11.1	47.3	23.5
1977	17.2	8.2	9.0	55.8	16.1
1978	26.2	10.2	16.0	61.3	26.1
1979	29.1	13.7	15.4	82.0	18.8
1980	32.0	18.9	13.1	104.9	12.5
1981	39.8	28.5	11.3	113.2	10.0
1982	20.1	38.8	-18.7	102.9	-18.2
1983	2.9	34.5	-31.6	102.4	-30.9
1984	10.4	37.3	-26.9	113.6	-23.7
1985	3.0	35.3	-32.3	108.6	-29.7
1986	9.9	32.6	-22.7	94.7	-24.0
1987	15.4	31.4	-16.0	107.9	-14.8
1988	5.5	34.3	-28.8	123.0	-23.4
1989	9.6	37.9	-28.3	136.4	-20.8
1990	18.4	34.4	-16.0	150.5	-10.6
1991 a/	36.0	29.3	6.7	151.8	4.4
			Oil-exporting countries		
1975	6.4	2.3	4.1	20.8	19.7
1976	6.7	2.9	3.8	23.1	16.5
1977	8.2	3.1	5.1	25.8	19.8
1978	9.9	4.1	5.8	29.3	19.8
1979	12.3	5.8	6.5	41.9	15.5
1980	13.4	8.3	5.1	54.6	9.3
1981	17.6	12.2	5.4	59.2	9.2
1982	3.8	17.2	-13.4	55.7	-24.1
1983	-4.7	14.9	-19.6	54.0	-36.3
1984	-2.7	16.3	-19.0	59.5	-31.9
1985	-2.7	15.2	-17.9	55.0	-32.5
1986	2.6	13.4	-10.8	44.5	-24.3
1987	4.9	13.0	-8.1	52.6	-15.4
1988	1.1	13.3	12.2	53.8	-22.7
1989	4.7	15.2	-10.5	62.5	-16.8
1990	7.2	14.2	-7.0	74.0	-9.5
1991 a/	26.2	12.2	14.0	73.8	19.0

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Table 11 (continued)

	(1) Net capital inflow	(2) Net payments of profits and interest	(3) Transfer of resources (3)=(1)-(2)	(4) Export of goods and services	(5) Transfer of resources/export of goods and services (5)=(3)/(4)
	Billions of dollars				(percentage)
	Non-oil-exporting countries				
1975	7.9	3.2	4.7	20.2	23.3
1976	11.2	3.9	7.3	24.2	30.2
1977	9.0	5.1	3.9	30.1	13.0
1978	16.3	6.1	10.2	32.0	31.9
1979	16.8	7.8	9.0	40.1	22.4
1980	18.5	10.6	7.9	50.3	15.7
1981	22.2	16.3	5.9	54.1	10.9
1982	16.3	21.5	-5.2	47.3	-11.0
1983	7.6	19.6	-12.0	48.4	-24.8
1984	13.1	20.9	-7.8	54.0	-14.4
1985	5.7	20.0	-14.3	53.6	-26.7
1986	7.3	19.2	-11.9	50.2	-23.7
1987	10.5	18.4	-7.9	55.3	-14.3
1988	4.4	21.0	16.6	69.1	24.0
1989	5.0	22.7	17.7	74.0	23.9
1990	11.3	20.2	8.9	76.6	11.6
1991 a/	9.9	17.1	-7.1	78.0	-9.1

Source: 1975-1990: Economic Commission for Latin America and the Caribbean, on the basis of figures supplied by the International Monetary Fund; 1991: Economic Commission for Latin America and the Caribbean, on the basis of national figures.

a/ Preliminary estimates.

IV. THE EXTERNAL DEBT

41. There was practically no change in the external debt of the region (excluding the English-speaking Caribbean countries), which remained at around US$ 426 billion (see table 12). Among the factors responsible for this were the national and international programmes for reducing external debt. Particularly noteworthy was the United States Government's forgiveness of the bilateral obligations of seven countries. In contrast, there was no major progress under the Brady Plan, since new agreements failed to emerge in 1991. Other elements that helped to reduce the outstanding dollar debt were the revaluation of the United States currency vis-à-vis European currencies over 12 months and the extensive access of many countries to various kinds of financing unrelated to debt. On the other hand, the main expansionary influences were the borrowing on the international bond markets by some of the countries and the build-up of debt service arrears by most of them.

42. For the region as a whole, the debt/exports ratio continued to stand at around the high level of 300 per cent for the third year running. Nevertheless, in 1991 six countries had a ratio of less than 200 per cent, compared with only one in 1988. The accrued interest exports ratio for the region went down for the fifth consecutive year, this time to 22 per cent. The decline in the coefficient - which was still excessively high - was due solely to the reduction in gross accrued interest payments (the result, mainly, of the drop in international interest rates and, to a lesser degree, of the reduction of bank debt and some official obligations).

43. Despite the substantial progress made with regard to the debt, its servicing continues to be one of the most serious structural problems of the region, as reflected in the continuing high debt/exports ratios of most of the countries and the considerable weight of external public debt (which accounts for 80 per cent or more of total obligations) in government budgets. The lower interest/exports coefficients, for their part, have a strong conjunctural component, to the extent that international interest rates are unusually low. Moreover, although it is true that debt-servicing arrears have, from the point of view of the cash flow, provided important temporary relief, they nevertheless give rise to uncertainty and other undesirable effects with regard to the management and effectiveness of economic policy. Consequently, it continues to be a matter of urgency to expedite and strengthen official debt reduction programmes.

Table 12. Latin America and the Caribbean: total disbursed external debt a/

Country, area or group	Year-end balance (millions of dollars)						Annual growth rate (percentage)				
	1986	1987	1988	1989	1990	1991 b/	1979-1981	1982-1983	1984-1989	1990	1991 b/
Latin America and the Caribbean	400 958	427 611	420 877	420 395	435 388	[426 285] c/	22.9	11.2	2.7	3.6	[-0.2] c/
Oil-exporting countries	178 317	184 812	185 176	178 045	182 990	[184 750] c/	24.7	10.7	1.3	2.8	[2.1] c/
Bolivia d/	3 536	4 162	4 066	3 492	3 774	3 550	14.3	9.4	1.6	8.1	-6.0
Colombia	14 987	15 663	16 434	16 013	16 703	16 700	28.0	16.0	5.7	4.3	0.0
Ecuador	9 080	10 299	10 587	11 322	11 855	12 100	21.0	18.3	6.3	4.7	2.1
Mexico	100 500	102 400	100 900	95 100	98 200	100 900	30.2	11.9	0.2	3.3	2.7
Peru	14 477	15 373	16 493	16 827	17 347	18 500	1.0	13.8	5.2	3.1	6.6
Trinidad and Tobago	1 898	2 082	2 012	2 097	2 102	-	29.3	16.3	6.7	0.2	-
Venezuela e/	33 839	34 833	34 684	33 194	33 009	33 000	24.7	4.0	-0.7	-0.6	0.0
Non-oil-exporting countries	222 641	242 799	235 701	242 350	252 398	[241 535] c/	21.5	11.7	3.9	4.1	[-2.0] c/
South America	191 818	209 825	201 342	206 752	216 724	[209 920] c/	21.9	11.1	3.5	4.8	[-2.3] c/
Argentina	51 422	58 324	58 803	63 314	65 000	61 000	41.9	12.4	5.8	2.7	-6.2
Brazil	111 045	121 174	113 469	115 096	122 200	122 800	14.4	10.5	2.7	6.2	0.5
Chile	20 716	20 660	18 960	17 520	18 576	17 150	30.5	7.6	-0.5	6.0	-7.7
Guyana	1 542	1 736	1 778	1 801	1 802	-	28.1	17.8	11.0	0.1	-
Paraguay	1 855	2 043	2 002	2 027	1 763	1 840	12.3	24.5	5.5	-13.0	4.4
Uruguay	5 238	5 888	6 330	6 994	7 383	7 130	35.9	21.2	7.3	5.6	-3.4

.../

Table 12 (continued)

Country, area or group	Year-end balance (millions of dollars)						Annual growth rate (percentage)				
	1986	1987	1988	1989	1990	1991 b/	1979-1981	1982-1983	1984-1989	1990	1991 b/
Central America and the Caribbean	30 823	32 974	34 359	35 598	35 674	[31 615] c/	18.7	16.1	6.3	0.2	[0.3] c/
Costa Rica	4 079	4 384	4 471	4 513	3 700	3 850	12.8	14.7	4.2	-18.0	4.1
Dominican Republic	3 812	3 899	3 883	4 090	4 300	4 425	24.2	14.0	3.6	5.1	2.9
El Salvador	1 928	1 880	1 913	2 169	2 226	2 165	17.7	8.4	2.3	2.6	-2.7
Guatemala	2 674	2 700	2 599	2 731	2 602	2 700	19.0	24.8	4.0	-4.7	3.8
Haiti d/	696	752	778	803	861	905	21.0	21.7	6.5	7.2	5.1
Honduras	3 366	3 773	3 810	3 374	3 480	3 150	17.5	16.7	7.7	3.1	-9.5
Jamaica	3 575	4 014	4 002	4 039	4 152	-	22.6	14.9	5.6	2.8	-
Nicaragua d/	5 760	6 270	7 220	8 079	8 653	8 570	27.1	21.5	13.5	7.1	-1.0
Panama f/	4 933	5 302	5 683	5 800	5 700	5 850	13.3	14.2	4.8	-1.7	2.6

Source: Economic Commission for Latin America and the Caribbean, on the basis of official figures.

a/ Including debt owed to the International Monetary Fund.

b/ Preliminary figures.

c/ 1991 totals not including the debt of Trinidad and Tobago, Guyana and Jamaica; the debts of these countries were excluded from the 1990 totals that were used in calculating the annual growth rates.

d/ Covering public sector debt.

e/ Covering total debt according to figures supplied by official sources and international financial institutions.

f/ According to World Bank figures.